UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/898,686	07/02/2001	William Elmer Kish	937.03	1760

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EXAMINER
LASTRA, DANIEL

ART UNIT	PAPER NUMBER
3688	

MAIL DATE	DELIVERY MODE
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *10 August 2009*.
2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *27-43* is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) *27-43* is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a)☐ All   b)☐ Some * c)☐ None of:
       1.☐ Certified copies of the priority documents have been received.
       2.☐ Certified copies of the priority documents have been received in Application No. _____.
       3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)
1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1.   Claims 27-43 have been examined. Application 09/898,686 ENHANCEMENT

INCENTIVE SYSTEM USING TRANSACTION EVENTS FOR USERS REWARDS ON

A DISTRIBUTED NETWORK has a filing date 07/02/2001.

Response to Amendment

2.   In response to Non Final Rejection filed 03/09/09, the Applicant filed an

Amendment on 08/10/09, which amended claims 27, 29, 34, 39.

Claim Rejections - 35 USC § 101

3.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter,
> or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
> requirements of this title.

Claims 27-43 are rejected under 35 U.S.C. 101 because the claimed invention is

directed to non-statutory subject matter.   Based on Supreme Court precedent, a

method/process claim must (1) be tied to a particular machine or apparatus (see at least

Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9

(1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S.

780, 787-88 (1876)) or (2) transforms a particular article to a different state or thing (see

at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)). A method/process claim that

fails to meet one of the above requirements is not in compliance with the statutory

requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fail to

meet the above requirements because the steps are neither tied to a particular machine

or apparatus nor transforms a particular article to a different state or thing. The

database provided in the claims involves only insignificant "extra-solution" activity. The

Applicant needs to structure (i.e. apparatus) to the embodiment of the claims.

Claim Rejections - 35 USC § 112

4.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 29 recites the limitation "the first formula". Claim 34 recites "the company stock

shares" and "the work shift requirement". Claims 35-36 recite "the product points" and

"the purchase points". Claim 39 recites "the work shift requirement". There is insufficient

antecedent basis for these limitations in the claims.

Claim Rejections - 35 USC § 103

5.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

6.   Claims 27-29, 31-34, 36-39 and 41-43 are rejected under 35 U.S.C. 103(a) as

being unpatentable over Fredregill (WO 01/86545) in view of Bachman (US 6,895,386)

and further in view of O'Brien (US 6,587,831) and VanDusen (US 2003/0208397).

Claim 27, Fredregill teaches:

A method for compensating employees with business equity based upon

employee productivity comprising the steps of:

setting a work requirement (see page 17, lines 1-15; 30-32 "service time");

identifying employee productivity in excess of the work requirement (see page 17, lines 1-15 "high performance";);

assigning to the employee a point value equal to the excess of the work requirement (see page 17, lines 1-20);

Fredregill fails to teach that said employee productivity is in excess of work shift requirement; *updating a price for the unit of business equity; and updating an employee ID profile to add the one or more units of business equity for the employee productivity in excess of the work shift requirement after a current work shift is completed and before a next work shift* and providing a formula for establishing a unit of business equity for a time period of work by the employee and applying the formula to convert the point value assigned to the employee into one or more units of business equity. However, O'Brien teaches a system where employees are allowed to work overtime shifts (see col 3, line 65 – col 4, line 40) and where said employees can earn points for working a work shift be said work shift an overtime shift or not (see col 9, lines 1-5). VanDusen teaches that it is old and well known in the promotion art for employees to earn incentive points based on job performance, where said earned points can be redeemed for equity shares (see paragraphs 310-328) and Bachman teaches a system where employees use earned incentive points stored in an employee profile account (see col 11, lines 10-50) to purchase equity shares, where said employee profile account is updated with said equity shares purchase (see col 11, lines 10-50) in order to allow said employees to invest in a particular company and build loyalty towards the

company while acquiring an asset that can be liquidated should the employee desire (see Bachman col 3, lines 35-40; col 4, line 35 – col 5, line 30). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Fredregill would modify his invention to allow employees to earn and accrue incentive points in a employee profile account based upon job performance calculated from performed work shifts, as taught by O'Brien and would allow said employees to convert said earned incentive points to company equity shares as taught by VanDusen and Bachman and update an employee's profile account with said equity share conversion, as taught by Bachman in order to increase the loyalty of said employees towards a company.

As per claim 28, Fredregill teaches:

wherein the point value assigned to the employee is recorded in a database accessible through a distributed network of computers (see page 17, lines 1-20).

Claim 29, Fredregill teaches:

A method for compensating employees comprising the steps of:

registering a plurality of employees with employment agreements with a company (see page 4, lines 20-30);

awarding labor points to each of the employees for work performed by each of the employees for the company (see page 6, lines 15-25; page 17, lines 1-10);

awarding purchase points to each of the employees for product purchases made by each of the employees from the company (see page 6, lines 1-37);

providing a database for storing the work performed by each of the employees, the labor points and the purchase points awarded to each of the employees (see page 21, lines 1-15).

Fredregill fails to teach updating a price for the unit of business equity; and updating an employee ID profile to add the one or more units of business equity for the employee productivity in excess of a work shift requirement after a current work shift is completed and before a next work shift and providing a first ratio for establishing units of business equity for a time period of work by the employees and a second ratio for establishing the units of business equity for product purchases by the employees; converting some of the labor points into company stock shares according to the first formula. However, O'Brien teaches a system where employees are allowed to work overtime shifts (see col 3, line 65 – col 4, line 40) and where said employees can earn points for working a work shift be said work shift an overtime shift or not (see col 9, lines 1-5). VanDusen teaches that it is old and well known in the promotion art for employees to earn incentive points based on job performance, where said earned points can be redeemed for equity shares (see paragraphs 310-328) and Bachman teaches a system where employees use earned incentive points stored in an employee profile account (see col 11, lines 10-50) to purchase equity shares, where said employee profile account is updated with said equity shares purchase (see col 11, lines 10-50) in order to allow said employees to invest in a particular company and build loyalty towards the company while acquiring an asset that can be liquidated should the employee desire (see Bachman col 3, lines 35-40; col 4, line 35 – col 5, line 30). Therefore, it would have

been obvious to a person of ordinary skill in the art at the time the application was made, to know that Fredregill would modify his invention to allow employees to earn and accrue incentive points in a employee profile account based upon job performance calculated from performed work shifts, as taught by O'Brien and product purchased, as taught by Fredregill and would allow said employees to convert said earned incentive points to company equity shares as taught by VanDusen and Bachman and update an employee's profile account with said equity share conversion, as taught by Bachman in order to increase the loyalty of said employees towards a company.

Claim 31, Fredregill fails to teach:

providing a scheduler that creates a work schedule that includes a plurality of work shifts for the employees;

issuing a request for quote for one of the work shifts to the employees through a reverse auction;

providing a plurality of quotes for the work shift that include a commitment for some of the labor points or the purchase points;

accepting one of the plurality of quotes having the highest value for one of the work shifts in exchange for the labor points or the purchase points in the quote.

However, O'Brien teaches a system that allows employees to bid for work shifts in a reverse auction (see O'Brien col 8, lines 15-30). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Fredregill and VanDusen would modify his invention in order to allow employees to bid for work shifts, as taught by O'Brien in order to give said employees

control over their work loads and also being able to earn incentive points for said workloads, as taught by <u>Bachman</u>, therefore, increasing the loyalty of said employee for a company.

Claim 32, <u>Fredregill</u> fails to teach:

providing a scheduler that creates a work schedule that includes a plurality of work shifts having a plurality of job classifications for the employees;

issuing a request for quote for work shifts having one of the job classifications to the employees who are qualified for the work shifts through a reverse auction; and

providing a plurality of quotes for some of the work shifts. However, the same argument made in claim 31 regarding this missing limitation is also made in claims 32.

Claim 33, <u>Fredregill</u> fails to teach:

accepting one of the plurality of quotes having the highest value for one of the work shifts in exchange for the labor points or the purchase points in the quote. However, <u>O'Brien</u> teaches allowing employees to bid for work shift using labor points (see col 7, line 60 – col 8, line 15). Therefore, the same argument made in claim 31 regarding this missing limitation is also made in claims 33.

Claims 34 and 39, <u>Fredregill</u> teaches:

A method for compensating employees comprising the steps of:

registering a plurality of employees with employment agreements with a company and creating identification profiles on a database for a plurality of employees working for a company (see page 4, lines 20-30);

awarding labor points to each of the employees for work performed by each of the employees for the company (see page 6, lines 15-25; page 17, lines 1-10);

awarding purchase points to each of the employees for product purchases made by each of the employees from the company (see page 6, lines 1-37);

providing a database for storing the work performed by each of the employees, the labor points and the purchase points awarded to each of the employees (see page 21, lines 1-15).

Fredregill fails to teach providing a formula for establishing a unit of business equity for the labor points awarded to one the employees and updating a price for the unit of business equity; and updating an employee ID profile to add the one or more units of business equity for the employee productivity in excess of a work shift requirement after a current work shift is completed and before a next work shift and converting some of the labor points into company stock shares according to the formula and storing the stock shares converted from the portion of the labor points awarded to the one of the employees in the database and providing each of the employees with cash for a first portion of the labor points and the purchase points that have been awarded to the employees and converting a second portion of the labor points and the purchase points that have been awarded to each of the employees into company stock shares owned by each of the employees according to the formula. However, O'Brien teaches a system where employees are allowed to work overtime shifts (see col 3, line 65 – col 4, line 40) and where said employees can earn points for working a work shift be said work shift an overtime shift or not (see col 9, lines 1-5). VanDusen teaches that

it is old and well known in the promotion art for employees to earn incentive points based on job performance, where said earned points can be redeemed for equity shares and/or cash (see paragraphs 310-328) and <u>Bachman</u> teaches a system where employees use earned incentive points stored in an employee profile account (see col 11, lines 10-50) to purchase equity shares, where said employee profile account is updated with said equity shares purchase (see col 11, lines 10-50) in order to allow said employees to invest in a particular company and build loyalty towards the company while acquiring an asset that can be liquidated should the employee desire (see <u>Bachman</u> col 3, lines 35-40; col 4, line 35 – col 5, line 30). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that <u>Fredregill</u> would modify his invention to allow employees to earn and accrue incentive points in a employee profile account based upon job performance calculated from performed work shifts, as taught by <u>O'Brien</u> and product purchased, as taught by <u>Fredregill</u> and would allow said employees to convert said earned incentive points to company equity shares and/or cash as taught by <u>VanDusen</u> and <u>Bachman</u> and update an employee's profile account with said equity share conversion, as taught by <u>Bachman</u> in order to increase the loyalty of said employees towards a company.

Claims 36 and 41, <u>Fredregill</u> fails to teach:

providing a scheduler that creates a work schedule that includes a plurality of work shifts for the employees;

issuing a request for quote for one of the work shifts to the employees through a reverse auction;

providing a plurality of quotes for the work shift that include a commitment for some of the labor points or the purchase points;

accepting one of the plurality of quotes having the highest value for one of the work shifts in exchange for the labor points or the purchase points in the quote.

However, O'Brien teaches a system that allows employees to bid for work shifts in a reverse auction (see O'Brien col 8, lines 15-30). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Fredregill and VanDusen would modify his invention in order to allow employees to bid for work shifts, as taught by O'Brien and in order to give said employees control over their work loads and also being able to earn incentive points for said workloads, as taught by Bachman, therefore, increasing the loyalty of said employee for the company.

Claims 37 and 42, Fredregill fails to teach:

providing a scheduler that creates a work schedule that includes a plurality of work shifts having a plurality of job classifications for the employees;

issuing a request for quote for work shifts having one of the job classifications to the employees who are qualified for the work shifts through a reverse auction; and

providing a plurality of quotes for some of the work shifts. However, the same argument made in claim 31 regarding this missing limitation is also made in claims 37 and 42).

Claims 38 and 43, Fredregill fails to teach:

accepting one of the plurality of quotes having the highest value for one of the work shifts in exchange for the labor points or the purchase points in the quote. However, O'Brien teaches allowing employees to bid for work shift using labor points (see col 7, line 60 – col 8, line 15). Therefore, the same argument made in claim 31 regarding this missing limitation is also made in claims 38 and 43.

7.   Claims 30, 35 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fredregill (WO 01/86545) in view of Bachman (US 6,895,386), and further in view of O'Brien (US 6,587,831), VanDusen (US 2003/0208397) and Boyd (US 2004/0193489).

Claim 30, Fredregill fails to teach:

offering the products to the employees through an auction; receiving bids from the some of the employees in response to the auction; and providing one of the products to the employee who offers the bid having the highest value and includes some of the labor points and the purchase points. However, Boyd teaches a system where users use incentive points to bid for products in an auction (see Boyd paragraphs 125-129). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Fredregill and VanDusen would modify his invention to allow employees to participate in an auction using said employees' incentive points, as taught by Boyd as well to purchase equity shares with said points, as taught by Bachman in order that said employees would be more willing to perform work for said employees' company.

Claims 35 and 40, Fredregill fails to teach:

offering the products to the employees through an auction; receiving bids from the some of the employees in response to the auction; and providing one of the products to the employee who offers the bid having the highest value and includes some of the labor points and the purchase points. However, Boyd teaches a system where users use incentive points to bid for products in an auction (see Boyd paragraphs 125-129). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Fredregill and VanDusen would modify his invention in order to allow employees to participate in an auction using said employees' incentive points, as taught by Boyd as well to purchase equity shares with said points, as taught by Bachman in order that said employees would be more willing to perform work for said employees' company.

Response to Arguments

8.   Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

9.   Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action.   Accordingly, **THIS ACTION IS MADE FINAL**.   See MPEP § 706.07(a).   Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action.   In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 571-272-6720 and fax 571-273-6720. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ROBERT A WEINHARDT can be reached on (571)272-6633. The official Fax number is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/DANIEL LASTRA//D. L./
Primary Examiner, Art Unit 3688
November 8, 2009